

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04
NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04
ITC-01 TRSE-00 PRS-01 SP-02 FEAE-00 OMB-01 AF-08
ARA-06 EA-07 NEA-10 OIC-02 NSCE-00 SSO-00 USIE-00
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FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 5271

INFO USMISSION EC BRUSSELS

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E.O. 11652: NA

TAGS: GATT ETRD

SUBJ: TEXTILES: MFA RENEWAL AND 7 PLUS 7 MEETING 2/16/77

REF: GENEVA 1129

1. LONG OPENED 7 PLUS 7 MEETING FEBRUARY 16 WITH REQUEST THAT PARTICIPANTS DECIDE UPON DATE NEXT TEXTILES COMMITTEE MEETING. AFTER SOME SILENCE, KLARIC (EC) SAID AFTER LONG, TECHNICAL EXAMINATION, COMMUNITY FINDS IT CONFIRMED THAT MFA HAD NOT FUNCTIONED AS EXPECTED. HENCE, MFA SHOULD BE REEXAMINED BUT TWO CONDITIONS MUST APPLY: (1) ALL PARTIES, INCLUDING EC, SHOULD KNOW BEFOREHAND WHAT THEY WANT RE MODIFICATIONS AND (2) OTHERS MUST BE READY TO DO MORE THAN JUST QUOTE LISTEN QUOTE - THEY MUST BE OPEN-MINDED. AS CAN BE EXPECTED CANADA (STONE) AND AUSTRALIA (TEASE) CONCURRED WITH EC, ESPECIALLY ON POINT TWO.

2. JAPAN, U.S., NORDICS, EGYPT AND BRAZIL, IN SUCCESSIVE STATEMENTS, URGED THAT TC MEETING BE CALLED AS
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EARLY AS POSSIBLE BECAUSE OF TRADE STABILITY, BILATERAL COMMITMENTS, ETC. BRAZIL (RAFFAELLI) STATED THAT OPEN MINDEDNESS WAS A TWO-WAY STREET, AND THAT HE HOPED EC AND OTHERS WANTING RESTRICTIVE CHANGES WOULD ALSO BE OPENED MINDED VIS-A-VIS THOSE WHO WANTED TO EXTEND MFA WITHOUT CHANGE.

3. WITH PARA A OF REFTTEL IN MIND AND FROM PREVIOUS CONTACTS WITH LONG, USG SUGGESTED MARCH 15. AFTER SEVERAL FURTHER INTERVENTIONS, LONG THEN PROPOSED MARCH 15 FOR TC WITH 7 PLUS 7 FOR MARCH 11 AND POSSIBLY MARCH 14, REGRETTING THAT FACTS OF LIFE (I.E. EC MANDATE PROCESS) MADE LATE FEBRUARY MEETING IMPRACTICABLE. HE ALSO URGED DELEGATES TO BE PREPARED TO STAY FOR AN EXTENDED PERIOD. LONG WAS ABOUT TO BANG DOWN GAVEL WHEN EC BEGAN ONE OF ITS NOW FAMOUS LAST MINUTE INTERVENTIONS.

4. EC SAID THERE WAS INDEED A NEED FOR 7 PLUS 7 ON MARCH 11. HOWEVER, BECAUSE NO ONE COULD STATE DEFINITELY THE RESULTS OF THE POLITICAL DISCUSSION IN THE EC RE ITS POSITION (I.E. THE RESULTS OF THE MARCH 8 COUNCIL OF MINISTERS MEETING), PERHAPS THERE SHOULD BE MORE TIME BETWEEN 7 PLUS 7 AND TC MEETING. LONG COUNTERED BY SAYING PARTICIPATING COUNTRIES MUST HAVE ADVANCE NOTICE FOR THE TC MEETING, THE DEADLINE FOR CALLING MARCH 15 MEETING WOULD BE FEBRUARY 22. HE THEN ASKED IF KLARIC WOULD BE PREPARED BY FEBRUARY 22 TO SAY MARCH 15 WAS OK. IN A RATHER TENSE EXCHANGE, KLARIC STARTED THE MEETING BY SAYING HE QUOTE CANNOT GUARANTEE THAT THE EC COUNCIL OF MINISTERS WILL BE ABLE TO FIND THE TIME QUOTE TO MAKE A DECISION ON THE EC POSITION/MANDATE.

5. BRAZIL RETORTED STRONGLY THAT THE PARTICIPATING COUNTRIES CANNOT SUBMIT TO WHAT IN EFFECT IS A VETO BY THE EC TO SETTING EVEN THE MEETING DATE OF THE TC. HE LIMITED OFFICIAL USE

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REMINDED KLARIC THAT IN THE 1973 MFA NEGOTIATIONS, THE EC DID NOT HAVE A NEGOTIATING POSITION UNTIL THAT DECEMBER, AND HE URGED THE CHAIRMAN TO SET THE MEETING FOR MARCH 15. RAFFAELLI WAS SUPPORTED AGAIN BY USG AND EGYPT.

6. KLARIC RESPONDED THAT EC WAS NOT VETOING MARCH 15 DATE BUT THAT IT WAS NOT UP TO THE THE EC TO TAKE THE RISK INVOLVED IN CONCURRING IN A MEETING WHEN THE EC MIGHT NOT BE READY TO TALK MEANINGFULLY. HE STATED THAT LONG SHOULD TAKE THAT RISK. LONG, BY THIS TIME CLEARLY EXASPERATED, ASKED IF KLARIC COULD TAKE A QUOTE CALCULATED RISK QUOTE THAT THE EC WOULD BE READY BY FEBRUARY 22 TO TELL HIM THAT MARCH 15 WOULD BE OK AND KLARIC DECLINED TO DO SO.

7. FINALLY LONG SAID HE WOULD TEST THE WATERS WITH OTHER PARTICIPATING COUNTRIES NOT AT THE 7 PLUS 7, ABOUT MARCH 15 DATE AND SEND OUT THE NECESSARY GATT AIRGRAM.

8. FYI AFTER THE MEETING ADJOURNED LONG TELEPHONED PHELAN TO SAY IT WAS HIS INTENTION TO CONSULT WITH THE OTHER NON 7 PLUS 7 PARTICIPANTS (WHICH HE CONSIDERED A FORMALITY SINCE HAMZA OF EGYPT WAS OBVIOUSLY SPEAKING FOR MOST OF THM). FOLLOWING WHICH, IT WAS HIS FURTHER INTENT TO SEND AIRGRAM ON FEBRUARY 22 CALLING TC MEETING FOR MARCH 15. PHELAN BELIEVES LONG WILL DO EXACTLY THIS. END FYI.

9. COMMENT. IT IS DIFFICULT TO ASSESS WHETHER KLARIC WAS BEING EXCESSIVELY CAUTIOUS OR WHETHER HE HAD REAL REASONS TO BELIEVE EC MANDATE WILL NOT RESULT FROM MARCH 8 MEETING. US DEL WILL EXPLORE THIS FURTHER TOMORROW IN BRUSSELS WITH MEYNELL ET AL.CATTO

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Sent Date: 16-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
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